GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

STARRED QUESTION NO:550
ANSWERED ON:25.04.2001
CVC REPORT ON DEFENCE DEALS
M.V.V.S MURTHI;SHYAMA SINGH

Will the Minister of DEFENCE be pleased to state:

(a) whether the Central Vigilance Commission has submitted its final report on all major Defence procurement worth over Rs. 75 crores since April, 1989 to the Government;

(b) if so, the details of the recommendations made in the report;

(c) whether the involvement of middlemen in the Defence purchases has been noticed during the past few years;

(d) if so, the details thereof and the reasons therefor; and

(e) the steps taken by the Government to bring transparency in the defence deals?

Answer

MINISTER OF DEFENCE (SHRI JASWANT SINGH)

(a) Yes, Sir.

(b) The Report is being examined.

(c) & (d): The instructions of 17.4.1989 issued by Ministry of Defence barred the involvement of agents in the purchase of weapons/weapon systems. Further instructions had also been issued on 7.11.1997 by the Ministry of Defence that in all contracts with foreign supplies, clauses need to be incorporated whereby the seller is required to give an undertaking that they have not engaged any individual or firm, etc. or paid any amount to them for purpose of interceding or facilitating the award of the contract. As and when, any complaint is received in this regard, it is examined and appropriate action taken.

(e) With a view to ensuring high levels of transparency in defence purchases, Government have issued orders, in consultation with the CVC/C&AG, for mandatory and time-bound scrutiny of all major procurements/purchase decisions, involving cost of above Rs. 75 crores, by the C&AG and where necessary, by the CVC.